GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:2402
ANSWERED ON:17.03.2008
SUBSIDY TO POSTAL DEPARTMENT
Murmu Shri Rupchand

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether the Department of Posts is supported at present by massive subsidy infusion from the Union Government;

(b) if so, the details thereof;

(c) whether the Government is planning to transform the loss-making department into a self-sustaining entity; and

(d) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR. SHAKEEL AHMAD)

(a) &(b) Department of Posts provides services with the basic objective of universal service obligation to cater to the common man, specially in the rural and remote areas of the country. The revenue earned by the Department in this process, therefore, falls short of the expenditure and there is a revenue deficit. The deficit of the Department is largely due to the following reasons:

(i) Nearly 89% of the expenditure incurred on mandatory heads like salary,pension of staff etc.

(ii) Rates of most of the services are fixed such as to cater to the common man as a part of universal service obligation as per the policy of the Government.

(iii) The revenue deficit of the Department is furnished below:

Sl. No.	Year	Revenue Deficit (Rs. in crore)
1	2005-06	1209.88
2	2006-07	1249.52

(c) & (d) The Department has been taking steps to increase the revenue through introduction of new products, market development activities and adoption of customer oriented strategies. Speed Posts, Business Posts, Express Posts, Retail Posts, etc. as premium services have been constantly growing. The Department of Posts is also using its vast network for retailing of financial products and services, agency functions, thereby adding to the Department's revenue. Moreover, the Department has also included value added money transfer services to its portfolio like Instant Money Order Service and International Money Transfers.